



J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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June 7, 2005

TO: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: **ALTAMED HEALTH SERVICES CONTRACT REVIEW – INTEGRATED
CARE MANAGEMENT PROGRAM (Senior Services)**

We have completed a contract compliance review of AltaMed Health Services (AltaMed), an Integrated Care Management Program service provider. The review was conducted by the Auditor-Controller's Countywide Contract Monitoring Division.

Background

The Department of Community and Senior Services (DCSS) contracts with AltaMed, a private, non-profit, community-based organization, which provides services to seniors, ages 60 and older, their spouses, and disabled residents, located in Service Planning Areas (SPAs) Three, Four and Seven. The types of services provided by AltaMed include interviewing program participants to assess their cognitive, social, emotional, and medical needs, and to develop care plans that identify and address those needs. AltaMed is located in the First District.

DCSS pays AltaMed a negotiated hourly rate of \$22 per hour for Intake Screening, and \$40 per hour for all other types of services (i.e. In-Home Assessment, Care Plan, etc.). The negotiated hourly rates are based on the program costs and service hours that AltaMed estimated in their proposal. For Fiscal Year 2003-04, DCSS paid AltaMed approximately \$416,000.

"To Enrich Lives Through Effective and Caring Service"

Purpose / Methodology

The purpose of the review was to determine whether AltaMed was providing the services outlined in their Program Statement and County contract. We also evaluated AltaMed's ability to achieve planned levels of service and staffing. Our monitoring

visit included a review of AltaMed's annual service level assessment report, billing statements, participant case files, personnel and payroll records, and interviews with AltaMed's staff and program participants.

Results of Review

Overall, AltaMed provided services to eligible participants. The Agency uses qualified staff to perform the program services, as required by their contract. The program participants stated that the services they receive from AltaMed met their expectations.

AltaMed billed DCSS for unallowable services and services that were not sufficiently documented. In addition, the Agency did not always provide services within the timeframes required by the County contract. Specifically:

- Twenty-eight (6%) of the 431 service hours sampled were for activities not allowed by the County contract.
- Eighty-one (19%) of the 431 service hours sampled were for activities that the Agency did not sufficiently document the services billed.
- Two (11%) of the 18 cases sampled, the Agency completed their home assessments 13 work days beyond the timeframe required by the County contract.

The amount of the billings for services that were not allowed or insufficiently documented totaled \$4,360.

We recommend that AltaMed management ensure that they bill only for services allowed by the County contract and repay amounts over billed. AltaMed also needs to maintain documentation to support billed services and to perform the services within the timeframes required by the County contract.

The details of our review, along with recommendations for corrective action, are attached.

Review of Report

On May 9, 2005, we discussed our report with AltaMed. In their attached response, AltaMed provided a corrective action plan to address our findings. We also notified

Board of Supervisors

June 7, 2005

Page 3

DCSS of the results of our review. DCSS indicated that they will request the Agency to repay any overpayments.

We thank AltaMed for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer
Cynthia Banks, Department of Community & Senior Services
Hugo Romo, Project Director, AltaMed Health Services
Public Information Office
Audit Committee

**COUNTYWIDE CONTRACT MONITORING DIVISION
INTEGRATED CARE MANAGEMENT PROGRAM
FISCAL YEAR 2004-2005
ALTAMED HEALTH SERVICES**

BILLED SERVICES

Objective

Determine whether AltaMed Health Services (AltaMed or Agency) billed DCSS for valid and authorized services.

Verification

We selected 431 (21%) service hours from a total of 2,070 service hours that AltaMed billed DCSS in May and June 2004. We also reviewed 18 participant case files for documentation to support the services billed to DCSS.

Results

AltaMed billed DCSS for unallowable services and services that were not sufficiently documented. Specifically, we noted the following:

- Twenty-eight (6%) of the 431 service hours sampled were for activities not allowed by the County contract. For example, six of the 28 service hours billed were for training staff on non-program related activities. The service hours billed for unallowable activities totaled \$1,120.
- Eighty-one (19%) of the 431 service hours were for activities that the Agency did not provide sufficient documentation to support the services billed. For 43 hours, the Agency billed DCSS for updating the Care Plans for 18 program participants. However, the Care Plans for the 18 participants did not appear updated. The Care Plans contained outdated information and did not reflect the participant's current health status as required by the County contract.
- For 38 service hours, the Agency claimed that staff attempted to contact seven program participants by telephone. However, the participants' case files did not contain documentation to support staff spending an average of five hours attempting to contact each participant by telephone. The undocumented service hours totaled \$3,240.

The Agency also did not always provide services within the timeframes required by the County contract. For 2 (11%) of the 18 cases sampled, the Agency completed their home assessments 13 work days after the date of the initial contact. AltaMed is

required to conduct home assessments for program participants within 5 days after the date of the initial contact or referral.

AltaMed management needs to ensure that they bill only for services allowed by the County contract and repay amounts over billed. AltaMed also needs to maintain documentation to support billed services and that services are performed within the timeframes required by the County contract.

Recommendations

AltaMed management:

- 1. Bill DCSS only for services allowed by the County contract and repay amounts over billed.**
- 2. Maintain documentation to support each hour billed to DCSS.**
- 3. Ensure that all services are performed within the timeframes required by the County contract.**

CLIENT VERIFICATION

Objective

Determine whether the Agency provided program services to only eligible individuals.

Verification

We interviewed 15 program participants to confirm AltaMed's delivery of service. We also reviewed the participants' case files for documentation to support their program eligibility.

Results

The program participants stated that the services they receive from AltaMed met their expectations. Furthermore, the case files contained documentation to support the program participants' eligibility for care management services.

Recommendation

There are no recommendations for this section.

CASELOAD LEVELS**Objective**

Determine whether each of AltaMed's Case Managers' caseload did not exceed the County contract maximum of 40 cases.

Verification

We interviewed the Agency's four Care Managers and Program Supervisor. We also reviewed billing invoices for May and June 2004.

Results

AltaMed's four Care Managers maintain an average of 35 cases, which is in compliance with the maximum of 40 cases allowed by the County contract.

Recommendation

There are no recommendations for this section.

STAFFING QUALIFICATIONS**Objective**

Determine whether AltaMed's employees meet the qualification required by the County contract.

Verification

We interviewed AltaMed's staff who worked on the DCSS' contract. In addition, we reviewed each staff's personnel file for documentation to confirm their qualifications.

Results

All staff possessed the educational and work experience qualifications required by the County contract.

Recommendation

There are no recommendations for this section.

SERVICE LEVELS**Objectives**

Determine whether AltaMed's reported service levels for Fiscal Year (FY) 2003-2004 did not significantly vary from planned service levels.

Verification

We reviewed DCSS' invoices from July 2003 through June 2004 for actual service levels billed and compared them to AltaMed's proposed/budgeted service levels for the same period.

Results

AltaMed's reported service levels exceeded their planned service levels. For FY 2003-04, the Agency's planned service levels were 8,864 hours. The actual service levels reported were 14,544 hours. DCSS did not pay AltaMed for the additional hours.

Recommendation

There are no recommendations for this section.



May 12, 2005

Mary Ann Morato, Contract Specialist
Dept. of Auditor-Controller
Audit Division, County of L.A.
1000 S. Fremont Ave. Unit 51
Alhambra, Ca. 91803

Dear Mary Ann:

In response to the contract compliance review of AltaMed Health Services Corporation's Integrated Care Management Program FY 03/04, I'd like to thank you and Pamela Hubbard for your professionalism. My staff and I are committed to the corrective action plans set forth.

I. Billed Services section results indicated:

First, 28 of 431 service hours sampled were activities not allowed per contract. These hours were in relation to the Inter Agency Coordination. Staff has been instructed as to what are allowable hours and what are not. Further the directive has included that the AAA program analyst be consulted whenever there is doubt on our part.

Second, 81 of the 431 service hours were for activities that were not sufficiently documented to support the services billed. Documentation was brief and not descriptive enough to justify the amount of time spent on a particular care management activity. Staff has been in-serviced on the need to for improved documentation with examples given. The program supervisor will monitor progress.

Third, home assessments were not conducted within the timeframe required by the contract. The finding found 2 out of 18 cases sampled were out of compliance beyond the 5-day limit. These findings were shared with the care management staff and they were reminded of the timeframes in question. Care manager supervisor is to monitor closely to assure compliance.

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AltaMed Health Services Corporation

Multipurpose Senior Services Program • Integrated Care Management Program

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In summary the program staff including the care management supervisor have taken an active part in past in-services as well as any future in-services as it pertains to each listed finding. DCSS will be billed only for services allowed by the county contract. Documentation to support each hour billed to DCSS will be maintained. In addition we will ensure that all services are performed within the timeframes required by county contract. Progress will be so noted by the supervisor and this program director.

I'd like to thank you for allowing me the opportunity to respond to your findings.

Sincerely,

A handwritten signature in black ink, appearing to read "Hugo Romo", with a stylized flourish extending from the end.

Hugo A. Romo, MPH
Director of Care Management